GOVERNMENT OF INDIA
DISINVESTMENT
LOK SABHA

UNSTARRED QUESTION NO:762
ANSWERED ON:05.03.2002
PRIVATIZATION OF ITDC HOTELS
SURESH RAMRAO JADHAV (PATIL)

Will the Minister of DISINVESTMENT be pleased to state:

(a) whether the employees of India Tourism Development Corporation have requested for a tripartite settlement before the start of privatisation of ITDC Hotels;

(b) if so, the reaction of the Government thereto; and

(c) the steps taken/proposed to be taken by the Government to resolve the issue?

Answer

MINISTER OF DISINVESTMENT AND MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION (SHRI ARUN SHOURIE)

(a) Yes, Sir.

(b) In all the cases of disinvestment, depending on the nature of the transaction, the Government is following a uniform policy of entering into Shareholders Agreement and/or Share Purchase Agreement with the strategic partner or purchaser of the respective company only. Tri-partite agreement has not been found feasible because of multiplicity of unions and many other structural problems. The decision of the Government not to have tri-partite agreement has also been endorsed by the Supreme Court in the BALCO Case. Protection of interest of the employees is ensured through provisions in the agreements with the strategic partners/purchasers.